SECRET

15 August 1949

MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Implementation of NSC 50

REFERENCE: Memorandum dated 3 August 1949, subject as above,
             from Chief, ICAPS, with Armstrong proposals

1. This office finds itself in fundamental disagreement with the general principles underlying the specific recommendations in Mr. Armstrong's proposals.

   a. Mr. Armstrong has assumed that the specific organizational realignments of CIA recommended by the Dulles report have been specifically approved by the NSC and directed in NSC 50. NSC 50, however, approved only the "concept of CIA" in the Dulles report as regards certain organizational matters, and went on to state that "there may be other methods of organisation which will accomplish the same objectives".

   b. Mr. Armstrong has assumed that the NSCID's are adequate instruments for the purpose of defining CIA's intelligence activities and relations to the IAC agencies. On this point, ORE is in direct opposition, particularly with reference to NSCID #1 and NSCID #3, both of which require extensive revision in order to clarify the role of CIA in carrying out its intelligence production responsibilities as these are visualized in the Dulles report and in NSC 50. ORE's specific objections to the NSCID's in question are as follows:

      i.   they define National Intelligence as being
            solely "integrated departmental intelligence"
            and make no mention of CIA's position as the
            intelligence facility for the NSC;

      ii.   they do not provide for an adequate state-
            ment of the CIA intelligence production
            mission

      iii. they do not provide for adequate priority of
            departmental support to CIA.

SECRET

c. Mr. Armstrong's definition of national intelligence, together with his concept of how it should be produced, is not, in our opinion, an accurate interpretation even of the existing definition, faulty as it is, as contained in NSCID #3.

2. In consideration of paragraph 1 above, it is believed that:

a. CIA should not enter into negotiations with the IAC agencies on any portion of the Armstrong proposals which pertain to internal CIA organizational matters.

b. CIA should place, as first priority for IAC negotiation and NSC action, revisions of NSCID #1 and NSCID #3 on the agenda of the Standing Committee. Revisions of the NSCID's would cover most, if not all, of the remaining questions contained in the Armstrong proposals.

c. In view of paragraphs 2 a and b above, the Armstrong proposals should be withdrawn from IAC consideration.

3. ORE is in the process of preparing recommendations to you on implementation of NSC 50 insofar as intelligence production and the responsibilities of this office are affected. These will include organizational recommendations.

4. Copies of an ORE proposed revision to NSCID #1 which has been reviewed by the ORE Intelligence Production Board are attached hereto under TAB A.

5. A draft of a proposed revision to NSCID #3 is in preparation, and will be forwarded upon completion. Specific comments on the four Armstrong proposals are included under TAB B.

RECOMMENDATIONS:

1. That you advise the IAC:

a. that the Armstrong proposals envisage certain organizational changes which may not materialize in the final CIA recommendation for implementation of NSC 50;

b. that CIA firmly believes that NSCID #1 and NSCID #3 require revision to meet the objectives of NSC 50, and that the Armstrong proposals should be considered in the light of such NSC approved revisions;

c. that for these reasons (1 a and b above) consideration by the IAC of the Armstrong proposals should be deferred until the IAC and NSC have completed action indicated in each case;

d. that you are placing proposed revisions of NSCID #1 and NSCID #3 on the agenda of the Standing Committee at an early date.

2. That you approve the ORE proposed revision of NSCID #1 after full CIA coordination.

TREODORE BABBITT
Assistant Director
Reports and Estimates

Attachments:

TAB A: Proposed revision of NSCID #1
TAB B: Specific comments on Armstrong proposals

ORE:TB/IKS:fd
Distribution:
  Original to addressee
  Executive
  ICAPS
  S/PP
  AD/ORE